

**MONTANA PUBLIC SERVICE COMMISSION
UTILITY DIVISION
AGENDA NO. 00-10-30**

Date Published: October 26, 2000
For Work Week Commencing: October 30, 2000
Business Meeting: October 30, 2000, 10:00 a.m.

General Introduction This agenda is the Commission's Utility Division agenda for the work week designated. In the later part of each week (generally, Thursday by 2:00 p.m.) prior to the work week to which an agenda pertains, the agenda is posted on the public information bulletin board at the Commission offices, deposited in the mail directed to all persons who have properly requested notice by mail, emailed to all persons who have properly requested notice by email, and posted to the Public Service Commission's worldwide web site located at <http://www.psc.state.mt.us>.

Place of Meetings All meetings are held at the Commission offices, 1701 Prospect Avenue, Helena, Montana, unless otherwise noted.

Inquiries General inquiries concerning this Utility Division agenda and subscribing to notice by mail may be made to Dennis Crawford at (406) 444-6182 or Dan Elliott at (406) 444-6187. They may refer inquiries to another person within the agency.

Accommodation for Persons with Disabilities Anyone needing an accommodation for physical, hearing, or sight impairment in order to attend a scheduled meeting should contact the Commission secretary at (406) 444-6199 sufficiently prior to the meeting to allow accommodations to be made.

Work Sessions All items identified below are for Commission discussion or action on the day designated (Dan).

1. Discuss MPC Sale – Placeholder (10/31/00)
2. D99.8.205 – Qwest Communications – Detariffing of intraLata toll service and operator services – Discussion of draft order and seek Commission direction for finalizing order (10-31-00)
3. Qwest policy of implementing interconnection agreements on execution by parties – To inform commission and get response and direction (10-31-00)
4. D2000.4.47 – Flathead Electric Cooperative, Inc., and Energy Northwest, Inc. – Petition for Declaratory Ruling Approval of Service Agreement – Discussion and Action on Staff Recommendation on Petition for Declaratory Ruling (11-1-00)

Weekly Scheduling Meeting – Will be held at 9:45 a.m. on the day of the Business Meeting

Action Items All items identified below are for action at the Commission business meeting.

1. Verizon Communications/
NorthPoint Communications Group, Inc – Docket No. N2000.10.175 (Robin)

On September 8, 2000, Verizon filed a letter notifying the Commission of an August 7, 2000 "Agreement and Plan of Merger" between NorthPoint and Verizon, whereby Verizon will acquire control of NorthPoint. As a result of this Merger Agreement, Verizon, through a wholly owned subsidiary, will hold 55% of the voting securities of the "new NorthPoint" and the stockholders of old NorthPoint will hold the remaining 45% of "new NorthPoint" voting securities. NorthPoint is the parent corporation of NorthPoint Communications, Inc. (NPC), a CLEC that primarily provides symmetric DSL services on a wholesale basis to small and medium sized businesses (primarily ISPs) and is currently certificated to provide service in Montana. Verizon is the parent corporation of operating companies that provide local exchange services, interexchange service, wireless service, and information services, including its subsidiary, Verizon Montana, which provides local exchange and exchange access service, and retail asymmetric DSL services under interstate tariffs. The legal and operational status of NPC will remain unchanged following this merger and, therefore, this transaction will have no effect on the manner in which the Commission regulates NPC.

2. Pathnet, Inc/U S WEST Communications, Inc., Docket No. D99.12.286 (Robin)

1. Pathnet and U S West entered into an Interconnection Agreement which was approved by the Commission on March 27, 2000. The Commission ordered changes to sections regarding Dispute Resolution and Billing in its Order No. 6236. Amendment No. 1 to the interconnection agreement was received on May 24, 2000 which incorporating the requested revisions to the last sentence of section (A)3.17.3 and adding language to section (B)5.4. The amendment further added language that was inadvertently omitted from the agreement. Staff recommends approval of the amendment.

2. The Commission approved an interconnection agreement between U S West and Pathnet on March 27, 2000. On July 7, 2000 the parties submitted Amendment No. 2 to the Agreement, replacing Part E, Unbundled Network Elements, with a new UNE section which includes UNE terms, conditions and rates. The amendment results from the Federal Communications Commission's new list of UNEs that purportedly satisfy the "necessary" and "impair" standards of section 251(d)(2) of the Telecommunications Act of 1996. (See In the Matter of the Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, released Nov. 5, 1999.) Staff recommends approval.

3. DSLnet Communications, LLC/
U S WEST Communications, Inc., Docket No. D99.8.195 (Robin)
 1. DSLnet and U S West entered into an Interconnection Agreement which was approved by the Commission on November 19, 1999. DSLnet desires to place orders for Unbundled Dedicated Interoffice Transport (UDIT), Asymmetric Digital Subscriber Loop (ADSL) and line conditioning in the form of Load Coil and Bridge Tap removals. On May 24, 2000 the parties submitted Amendment No. 1 to the interconnection agreement revising certain sections and adding a new section including UDIT, ADSL and line conditioning, along with the associated rate elements. Staff recommends approval.

 2. The Commission approved an interconnection agreement between DSLnet and U S West on November 19, 1999. On July 17, 2000 the parties submitted Amendment No. 3 which adds InterLocal Calling Area Facility and Unbundled Dark Fiber terms and conditions to their interconnection agreement. Staff recommends approval.

4. McLeod USA Telecommunications Services, Inc./
U S WEST Communications, Inc., Docket No. D99.11.252 (Robin)

McLeodUSA and U S West entered into a Resale Agreement which was approved by the Commission on February 15, 2000. The parties submitted Amendment No. 2 on August 8, 2000 requesting approval additional terms pertaining to Unbundled Network Elements. The amendment results from the Federal Communications Commission's new list of UNEs that purportedly satisfy the "necessary" and "impair" standards of section 251(d)(2) of the Telecommunications Act of 1996. (See In the Matter of the Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, released Nov. 5, 1999.) Staff recommends approval.

5. New Access Communications, LLC/
Qwest Corporation, Docket No. D2000.8.137 (Robin)

On September 27, 2000, in Order No. 6277 the Commission approved the New Access/Qwest interconnection agreement. The order required that amendments to reflect direction in the order be filed within 30 days of the service date of the order, or by November 3, 2000. The parties have requested an extension to November 15, 2000 to file those amendments. Staff recommends approval.

6. BLACK HILLS POWER & LIGHT Docket D2000.9.162 (Eric)

On September 26, 2000, BHP&L filed a Quarterly Fuel Rate Rider application. A Notice of Opportunity for Public Hearing was issued on September 28, 2000. Requests for hearing were due by October 23, 2000. No requests have been received. This application will increase rates by \$6,297 over the base cost of fuel approved in Docket No. 83.4.25. A default order has been drafted.

7. Qwest Communications N2000.10.165 (Leroy)

On September 29, 2000, Qwest Communications filed Tariff Transmittal 00-42 "Centrex 21 Revisions" to revise the terms and conditions for the Centrex 21 offering. The filing eliminates the \$5.00 non-recurring charge to activate or deactivate features within the standard feature package for Centrex 21.

8. Central Montana Communications N2000.10.168 (Leroy)

On October 2, 2000, Central Montana Communications filed tariff pages 30 through 31.2 to change the signature line. In addition, page 31.1 has been modified to provide detail of how the waiver of the Interstate end User Charge and the Tier 2, 3 and 4 discounts will be applied.

Notice Items All items identified below are noticed for public participation purposes. Unless otherwise stated in the text of the notice, the items will be action items on the next following agenda or a subsequent agenda and participation may be had by submitting written comments to the Public Service Commission, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana, 59620-2601, within 5 calendar days following publication of this agenda. Public comments on a noticed matter may also be submitted within the required time through the PSC's web-based comment form at <http://psc.state.mt.us/PublicComment/PublicComment.htm>. Comments should reference the docket number of the matter.

1. ENERGY WEST, INC. DOCKET NO. D2000.10.174 (Eric)

On October 19, 2000, EW requested authority to incur short-term debt up to \$22,000,000. The borrowings are in the form of notes, the first is an \$11,000,000 revolving note with First Bank Montana, the second is an \$11,000,000 renewal Promissory Note with Norwest Bank Montana. The short-term borrowings are necessary to supply EW with working capital. The working capital needs set forth in the application are increased demands for cash during the construction season when revenues are low due to warmer weather as well as cash needed to purchase gas which is placed in storage.

2. MDU RESOURCES GROUP, INC. DOCKET NO. D2000.10.173 (Eric)

On October 18, 2000, MDU filed an application for authority to issue over a two-year period some or all of the following kinds of securities: (1) not to exceed \$750,000,000 of the Company's Common Stock; (2) not to exceed \$112,500,000 of the Company's Preferred Stock and/or Preferred Stock A; (3) not to exceed \$225,000,000 of the Company's secured debt securities including first mortgage bonds, or secured medium-term notes, or other secured debt securities, and/or unsecured debt securities, notes, or other evidences of indebtedness, and/or guaranties issued from time to time; (4) not to exceed \$225,000,000 of stock purchase contracts to purchase Common Stock, and/or stock purchase units and/or warrants; (5) not to exceed \$225,000,000 of other securities including hybrid securities issuable directly by the Company or guaranteed by the Company such as convertible or unconvertible preferred securities, puttable or callable instruments, together with associated put or call rights, subordinated debt, and mandatorily convertible instruments.

The proceeds are to be used for funding the Company's capital requirements, for the refunding of its outstanding obligations, for corporate development (including, without limitation, the issuance of any of the securities in a private placement with the seller or sellers of a business, or its assets, being acquired, or the issuance and sale of the securities in one or more public offerings, the cash proceeds therefrom being applied to finance the acquisition of businesses or business assets, or the issuance and exchange of the securities for other securities) and for other general corporate purposes.

Information Items All items identified below are for information only.

Tentative Action Items for Agenda 00-11-06

New Filings Received in Past Week

D2000.10.177 – PSC Extension of Transition Period